CONTRACT #5 RFS # N/A

Tennessee Board of Regents

VENDOR: Apple Computer, Inc.



Tennessee Board of Regents

1415 Murfreesboro Road - Suite 350 - Nashville, Tennessee 37217-2833 (615) 366-4400 FAX (615) 366-4464

RECEIVED

JAN 1 8 2006

FISCAL REVIEW

January 11, 2006

Mr. Jim White, Executive Director Legislative Fiscal Review Committee Rachel Jackson Building, 8th Floor Nashville, TN 37243-0057

Dear. Mr. White:

Attached is a master agreement between the Tennessee Board of Regents and Apple Computer, Inc. for an educational purchase agreement for hardware, software, service, support, and training products.

I realize that contracts are to be submitted to you 60 days prior to the proposed implementation date. The contract was negotiated by the TBR Central Office just prior to the Christmas Holiday.

Please contact me regarding the date this will go before the Fiscal Review Committee and I will inform the representatives to insure they are present for the meeting in which the contract will be discussed. If you have questions, please feel free to contact me 366-4436. Information regarding the contract may be sent to my attention at the Tennessee Board of Regents, 1415 Murfreesboro Road, Suite 350, Nashville, Tennessee 37217.

Sincerely,

Angela A. Gregory

Director of Purchasing and Contracts

Attachment

cc: Bob Adams, Vice Chancellor for Business and Finance Tom Danford, Chief Information Officer

Austin Peay State University • East Tennessee State University • Middle Tennessee State University • Tennessee State University

Tennessee Technological University • University of Memphis • Chattanooga State Technical Community College
Cleveland State Community College • Columbia State Community College • Dyersburg State Community College
Jackson State Community College • Motlow State Community College • Pellissippi State Technical Community College
Roane State Community College • Southwest Tennessee Community College • Volunteer State Community College
Walters State Community College • Northeast State Technical Community College
The Tennessee Technology Centers

TENNESSEE BOARD OF REGENTS JUSTIFICATION FOR NON-COMPETITIVE PURCHASES AND CONTRACTS FOR \$250,000 AND GREATER

(1) Description of service to be acquired:

Educational purchase agreement for hardware, software, service, support, and training products.

(2) Explanation of the need for or requirement placed on the procuring institution to acquire the service:

Apple microcomputers and peripheral equipment are vital to classroom instructional uses for undergraduate courses, graduate courses, and administrative uses in direct support of public higher education programs.

(3) Name and address of the proposed contractor's principal owner(s):

Apple Computer, Inc.
Sales Contracts Management
1 Infinite Loops, MS 38-2CM
Cupertino, CA 95014

(4) Evidence that the proposed contractor has experience in providing the same or similar service and evidence of the length of time the contractor has provided the same or similar service:

Apple Computer, Inc. is solely owned and these items are distributed by Apple. Apple items are proprietary property of Apple Computer Inc.

(5) Explanation of whether the service was ever bought by the procuring institution in the past, and if so, what method was used to acquire it and who was the contractor:

TBR Institutions have purchased from Apple in the past by the following methods:

- Through university bookstores that are authorized Apple resellers
- From General Services State Contract's limited to a K-12 price list.
- Several years prior, through competitive bid processes when there were Apple resellers
- (6) <u>Description of procuring institution's efforts to used existing institutional employees and resources or, in the alternative, to identify reasonable, competitive, procurement alternatives (rather than to use non-competitive negotiation):</u>

Apple products are copyrighted/proprietary. TBR does not have the staff or resources to create products of this magnitude.

(7) <u>Justification of why the state institution should acquire the service through non-competitive negotiation:</u>

We are currently trying to make purchases from the K-12 price list available through the General Services State Contract. Over half of the items that we need on a day-today basis are not available through this contract.

| APPROVAL: Chancellor | 1/12/06 Date |
|------------------------------------|-----------------|
| REVIEW BY FISCAL REVIEW COMMITTEE: | |
| Chairman | Date |



Education/State & Local Government Purchase Agreement Checklist

Overview: Please take a few moments to review the documents enclosed. Ensuring that each document is reviewed, filled out completely and accurately, and returned to the address below will allow Apple to quickly process your contract. For your convenience you can check each item off from this list.

Note: Please provide Apple with two (2) originals of the Education/State & Local Government Purchase Agreement, Professional Services Addendum and one (1) original of the Credit Application. Apple will send one (1) original set back for your records. Please contact contracts@apple.com with any questions.

| - Sign | ew the Professional Servi n your organization's nan and date the last page o | ne at the top of the first page of both originals |
|--------------------------|--|---|
| | nformation: or Mailings: NAME (please print) _ | Faja Kodali |
| | PHONE _ | (615) 366-445 2 (615) 366-3797 |
| | FAX | (615) 366-3797 |
| | EMAIL | raja,kodali@tbr.edu |
| Purchasin | ng Agent Information: NAME (please print) | Angela Gregory |
| | PHONE | (615) 366-4436 |
| | FAX _ | (615) 366-3902 |
| | EMAIL _ | angela.gregory@tbr.edu |
| Additiona (for multip | al locations that your orgole sold-to entities, please sold-to entities, please sold—NAME (please print) | ganization may be authorized to purchase from ("Sold-To Entitie submit a list with your Agreement) |
| | PHONE | See attached |
| | FAX | |
| | EMAIL - | |

Apple Computer, Inc.
Sales Contracts Management
1 Infinite Loop, MS 38-2CM

Cupertino, CA 95014

List of the higher education institutions overseen by TBR and authorized to purchase under this Agreement: Tennessee Board of Regents, Central Office **Austin Peay State University** East Tennessee State University Middle Tennessee State University Tennessee State University Tennessee Technological University University of Memphis Chattanooga State Technical Community College Cleveland State Community College TTC-Athens Columbia State Community College TTC-Pulaski TTC-Hohenwald **Dyersburg State Community College** TTC-Newbern TTC-Ripley **TTC-Covington** Jackson State Community College TTC-Jackson TTC-Whiteville TTC-Crump TTC-McKenzie **TTC-Paris** Motlow State Community College TTC-Shelbyville TTC-Murfreesboro TTC-McMinnville

Nashville State Community College TTC-Nashville

TTC-Dickson

Northeast State Technical Community College

TTC-Elizabethton

Pellissippi State Technical Community College

TTC-Knoxville

Roane State Community College

TTC-Oneida/Huntsville

TTC-Harriman

TTC-Jacksboro

TTC-Crossville

Southwest Tennessee Community College

TTC-Memphis

Volunteer State Community College

TTC-Livingston

TTC-Hartsville

Walters State Community College

TTC-Morristown



V-N0003101

TENNESSEE DEPARTMENT OF REVENUE

RECEIVED

Certificate of Exemption

JUL 14 2003

Tennessee Board of Regents Business Office

July 13, 2003

Account Type:

S&U EXEMPT

Account No.:

100015878

TENNESSEE BOARD OF REGENTS
1415 MURFREESBORO PIKE
NASHVILLE TN 37217-2829

Under the provisions of T.C.A. Section 67-6-322, the organization named above is granted authority from the Tennessee Department of Revenue to make purchases, without payment of the Sales or Use Tax, of tangible personal property or taxable services to be used or consumed by the organization itself or to be given away.

The organization must furnish the suppliers of goods and services with a COPY of this exemption certificate. The lower portion of the certificate must be properly completed. The organization MUST retain the original certificate for copy purposes. The supplier will maintain a file copy as evidence of exemption. Later purchases do not require the submission of additional copies. Invoices must centain the name of the organization and the number given above.

This authority does not extend to purchases made by representatives of the organization when the items purchased or services rendered are paid for with personal funds. It does not extend to items purchased to be resold.

THE ORGANIZATION MUST NOTIFY THE DEPARTMENT IMMEDIATELY IF IT CEASES TO EXIST, MOVES, OR IN ANY WAY CHANGES THE ORGANIZATION FROM ITS PRESENT FORM,

| EFFECTIVE DATE July 1, 200 | COMMISSIONER OF REVENUE |
|--|--|
| TO BE COMPLETED BY THE OR | ANIZATION (please print) |
| TO: SUPPLIER S NAME | Apple Computer, Inc. |
| ADDRESS | 1 Infinite Loop, MS 38-2CM |
| CITY Cupertino | STATECA ZIP 95014 |
| | |
| above affirm that the purchases ma I further affirm that the organization | as an authorized representative of the organization name le under this authority will be used and consumed by the organization or will be given away will not use this authority to purchase items for resale. |
| Under penalty of perjury, I affirm this | to be a true and correct statement. |
| PRINT NAME OF ORGANIZATION | Tennessee BOARD OF Regents |
| PRINT NAME OF PURCHASER: | |
| SIGNATURE OF PURCHASER: | fotres Course |



Education/State & Local Government Purchase Agreement This Education/State & Local Government Purchase Agreement ("Agreement") is made between Apple Computer, Inc., a California corporation located at 1 Infinite Loop, Cupertino, CA 95014 ("Apple") and: Tennessee Board of Regents Customer Name ("Purchaser"): 1415 Murfreesboro Road, Suite 350 Address: Nashville, TN 37217 City, ST, Zip: **Purchase Authorizations** Purchaser represents and warrants the following (indicate by checking one box only): XX Higher Education: Purchaser is a not-for-profit, degree-granting institution organized for educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code or a public sector degree-granting institution. Eligible Purchasers include Purchaser and its colleges, departments, graduate schools, libraries, branch, satellite, and extension campuses or sites under the control of Purchaser; state universities and colleges, and community, vocational and technical colleges. Products purchased shall be for Purchaser's own use in its facilities and will not be purchased for the purpose of resale to another entity or individual unless otherwise authorized in this Agreement. [1] K12: Purchaser is a not-for-profit, degree-granting institution organized for educational purposes within the meaning of section 501(c)(3) of the internal Revenue Code or a public sector degree-granting institution. Eligible Purchasers include Purchaser and any school districts and their school systems, Boards of Education or sites under the control of Purchaser. Products purchased shall be for Purchaser's own use in its facilities and will not be purchased for the purpose of resale to another entity or individual. State or Local Government Agency: Purchaser is a state, county or city agency or department (including fire departments and librarles), special district, port authority, municipality, township, or indian reservation. Products purchased will be for Purchaser's own use in its facilities and will not be purchased for the purpose of resale to another entity or individual. Preschool: Purchaser is a public or private, profit or not-for-profit facility that is state licensed, regulated or accredited and provides educational or child care services. Products purchased will be for Purchaser's own use and will not be purchased for the purpose of resale to another entity or individual. Check this box if Purchaser is a private institution. Check this box if Purchaser is a for-profit institution. Check this box if Purchaser is a charter school. Apple reserves complete discretion in making eligibility determinations. Should Purchaser's status change, Purchaser will notify Apple immediately. ensuring the compatibility and appropriateness of all Products. 1. Definitions A. "Agreement" means collectively this Education Purchase B. Limited Billing Service Account. Apple will provide Purchaser a Agreement, any amendments or additions, and any documents or materials incorporated by reference. B. "Apple Product" means hardware, software, service, support, and training products manufactured, distributed or licensed ('sold') under the Apple brand name, that Purchaser may acquire from Apple for its own use.

- C. "Authorized Apple Price Lists" means the then-current lists of prices for Purchaser's purchase of Products from Apple.
- D. "Confidential Information" means confidential information disclosed by either party to the other, including but not limited to the terms and conditions of this Agreement, any non-public information relating to the other party's research, development, proprietary technology, product and marketing plans, finances, personnel, business opportunities, and pricing, but not including information that becomes public knowledge except to the extent made public in violation of this Agreement.
- E. "Products" means hardware, software, service, support and training products, including Apple Product that may be sold by Apple to Purchaser for Purchaser's own use.

Apple will provide post sales support for Apple Product as described in the documentation accompanying such products. Apple will not provide support for Products that are not Apple Product. Purchaser will promptly notify Apple in writing of any suspected Product defect or safety issue.

3. Purchases from Apple

A. Ordering. All purchase orders must be submitted to Apple by an Apple approved Eligible Purchaser as defined in Section 2. Purchaser is solely responsible for all purchase decisions, including

- limited billing service account to use when placing service orders such as Customer Installable Parts (CIPs) and mall-in or on-site repairs. Purchaser may be asked to submit a purchase order when placing a service order. Purchaser acknowledges that Apple does placing a service order. Purchaser acknowledges that Apple does not provide service CIP or repair pricing on an Authorized Apple Price List; Apple will quote current pricing to Purchaser prior to processing any purchase order, and Purchaser will have the option to either accept or decline the quoted prices. In the event Purchaser accepts the quoted pricing, Apple will process the purchase order under the terms of this Agreement; should Purchaser decline the quoted prices, Apple will not process the purchase order.
- C. Price. Prices shall be as set forth on the applicable Authorized Apple Price List in effect on the date Purchaser's order is accepted by Apple. Apple reserves the right to accept or decline any order, in whole or in part. Apple may cancel any accepted order prior to shipment. Unless Purchaser notifies Apple otherwise, Apple may make partial shipments of Purchaser's orders. Apple will not be liable for any failure to ship complete orders. Purchaser will be involced separately for each partial shipment and will pay each Invoice when due, without regard to subsequent deliveries. Apple invoice when due, without regard to subsequent deliveries. Apple will allocate its available inventory and make deliveries (including partial shipments) in its sole discretion and without liability to Purchaser. Prices include standard freight and insurance using an Apple-selected carrier. All applicable local sales or use taxes, duties and other imposts, if any, due on account of purchases hereunder shall be paid by Purchaser. Proof of tax exempt status must be on file at Apple's Support Center for any order to be treated as a taxexempt transaction.
- D. Delivery. Title and risk of loss to all Products will pass to Purchaser upon shipment from Apple's shipping location. For Products shipped pursuant to Apple's standard practices in all but the last week of every Apple fiscal quarter during the term of this



Agreement, Apple will Issue credits or replace Products returned due to damage in transit or that are lost in transit. For Products shipped pursuant to Apple's standard practices in the last week of every Apple fiscal quarter during the term of the Agreement, Apple will not issue credits or replace Products returned due to damage in transit or that are lost in transit. Instead, Apple will provide third-party insurance for damaged or lost Products with Purchaser named as the loss payee. When not shipping Products pursuant to Apple's standard practices but instead shipping via a carrier selected by Purchaser, Apple will not issue credits or replace Products returned due to damage in transit or that are lost in transit. Shipping charges for orders that are shipped under Purchaser's instructions will be added to Apple's invoice, or shipped freight collect, at Apple's option.

- E. Additional Locations. Purchaser acknowledges that whenever it directs Apple to ship to a location other than its main location, the following additional terms and conditions apply: (i) Apple Product warranty becomes effective upon shipment of the Apple Product from Apple's shipping location; (ii) Apple will invoice Purchaser for the Products when the Products ship from Apple's location and Purchaser shall pay for the Products within thirty (30) days from the date of invoice; and (iii) Purchaser further warrants that when directing delivery to a location not at Purchaser's location, Purchaser has obtained the addressee's permission to have the Products delivered as directed.
- F. Export Compliance. This Agreement is subject to all laws, regulations, orders or other limitations on the export and re-export of commodities, technical data and software. Purchaser agrees that it will not export, re-export, or transfer any export controlled commodity, technical data or software (a) in violation of such limitations imposed by the United States or any other appropriate national government authority, or (b) to any country for which an export license or other governmental approval is required at the time of export, without first obtaining all necessary licenses or other approvals.
- G. Payment. Purchaser shall be involced upon shipment of Products and, provided Purchaser is qualified for credit with Apple, payment of such invoice will be due no later than thirty (30) days from date of invoice. Apple will also charge for any fees due from Purchaser by regulation or statute, including, if applicable, fees due under the California Electronic Waste Recycling Act or similar statutes in other states. Apple reserves the right to change the Authorized Apple Price Lists and Purchaser's credit terms at any time.

4. Confidentiality

To the extent permitted by law, neither party will use the other's Confidential Information except as required to achieve the objectives of this Agreement, or will disclose such Confidential Information except to employees, agents or contractors who have a need to know or as required by law. Neither party will make any disclosure or statement of Confidential Information in connection with this Agreement or its subject matter without the other's prior written consent or as required by law.

5. Limited Warranty

A. The sole warranty for Apple Product, if any, purchased under this Agreement shall be Apple's standard Limited Warranty as set forth in the documentation that accompanies each Apple Product.

B. All Products, other than Apple Product, are sold "as is" and without warranty from Apple, but may be accompanied by a manufacturer's warranty, as more particularly provided in any warranty documentation that accompanies such Products. Upon Purchaser's request, Apple will provide a copy of any manufacturer's warranty accompanying Products offered by Apple under this Agreement.

6. Proprietary Rights

A. Neither party shall use the other's name, logo, trademarks or trade names in any of its advertising, communications, or publications without the prior written permission of the other. B. Purchaser acknowledges that Products often contain not only hardware but also software, including but not limited to operating systems and applications. Such software may be included in ROMs or other semiconductor chips embedded in hardware, or it may be contained separately on disks or on other media. Such software is proprietary, is copyrighted, and may also contain valuable trade secrets and be protected by patents. Purchaser, as an end user, is licensed to use any software contained in such Products, subject to the terms of the license accompanying the Products, if any, and the applicable patent, trademark, copyright, and other intellectual property, federal and state laws of the United States.

C. Unless Purchaser has obtained Apple's prior written consent, Purchaser, In addition to any obligations or restrictions set forth in any license which may accompany a Product, shall not copy the software, except to back up or for archival purposes, and Purchaser shall promptly affix to any such copy the same proprietary and copyrights notices as were affixed to the original. Purchaser shall not disassemble, decompile, reverse engineer, copy, modify, create derivative works thereof, or otherwise change any of the software or its form.

7. End User Indemnification

A. Apple will defend any proceeding or action brought by a third party against Purchaser to the extent based on a claim that: (1) the marketing or licensed use of any Apple-branded product sold by Apple that Purchaser has paid to acquire infringes any U.S. patent, copyright, trademark, trade secret or other proprietary right of a third party; or (2) a defective Apple Product directly caused death or personal Injury or damage to tangible property (provided the product at Issue has not been altered, modified or otherwise changed by Purchaser). Apple will indemnify Purchaser for damages awarded to third parties solely as a result of such claims. Apple's obligation to so defend and indemnify Purchaser is contingent on Purchaser's compliance with the Notice/Defense paragraph set forth below.

B. Notice/Defense: Purchaser shall promptly notify Apple of any claim, demand, proceeding or suit of which Purchaser becomes aware which may give rise to a right of defense or Indemnification pursuant to this section ("Claim"). Notice of any Claim that is a legal proceeding, by suit or otherwise, must be provided to Apple within thirty (30) days of Purchaser's first learning of such proceeding. Notice must include an offer to tender the defense of the Claim to Apple, Apple, if it accepts such tender, may take over sole control of the defense of the Claim. That control includes the right to take any and all actions necessary to completely and finally resolve the Claim by settlement or compromise. Upon acceptance of tender, Purchaser will cooperate with Apple with respect to such defense and settlement. If a Claim is settled and to the extent permitted by law, both parties will not publicize the settlement and will make every effort to ensure the settlement agreement contains a non-disclosure provision.

8. Limitation of Liabilities and Remedies

To the extent permitted by law, the total liability of Apple, whether in contract, warranty, tort, strict liability, statute or otherwise, shall be limited to an amount not to exceed three hundred thousand dollars (\$300,000) for all claims arising out of this Agreement, except for indemnity claims under Section 7 with respect to defective Products that directly cause death, personal injury or tangible property damage, IN NO EVENT, WHETHER AS A RESULT OR BREACH OF CONTRACT, WARRANTY, TORT, STRICT LIABILITY, STATUTE OR OTHERWISE, SHALL APPLE BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES (INCLUDING WITHOUT LIMITATION, CLAIMS FOR LOST BUSINESS PROFITS OR REVENUE, LOSS OF DATA, INTERRUPTION IN USE, UNAVAILABILITY OF DATA, OR THE COST OF THE PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES) OR FOR PUNITIVE OR EXEMPLARY DAMAGES. This Limitation is a critical element of the parties' bargained-for consideration and will be effective even in the event Apple is informed in advance of the possibility of such damages. The remedies set forth in this Agreement shall be Institution's sole and exclusive remedies for any claims against Apple under or related to this Agreement.



9. Term and Termination

A. Term. Unless terminated earlier as provided in this Agreement, the initial term of this Agreement shall be from the date Apple signs it until March 31, 2006; and unless either party provides written notice to the contrary to the other party not less than thirty (30) days before the expiration of any renewal term, this Agreement shall be renewed for additional one (1) year periods.

- B. Termination. Either party may terminate this Agreement without cause upon thirty (30) days prior written notice. Either party may terminate this Agreement immediately in the event the other is in material breach of this Agreement. In the event notice is given terminating this Agreement, the due date of all Apple invoices shall be accelerated so that they become due and payable as of the date of notice of termination.
- C. Survivorship. Those sections that by their nature survive expiration or termination of this Agreement will survive expiration or termination.

10. General

A. Governing Law. If Purchaser is a public institution, this Agreement will be governed and interpreted under the laws of the state in which Purchaser is located. If Purchaser is a private institution, this Agreement will be governed and interpreted under the laws of the State of California, without regard to its conflict of laws provisions (in the event that litigation commences, the parties agree that the venue shall be Santa Clara County, California).

B. Notice. Any notice under this Agreement must be in writing and will be deemed given upon the earlier of actual receipt or ten (10) days after being sent by first class mail, return receipt requested, to the address set forth below for Apple and to the address designated on page one (1) of this Agreement by Purchaser for receipt of notices, or as may be provided by the parties.

Apple Computer, Inc. Sales Contracts Management 1 Infinite Loop, M/S 38-2CM Cupertino, CA 95014

Either party may give notice of its change of address for receipt of notices by giving notice in accordance with this section.

- C. Severability. If a court of competent jurisdiction holds that any provision of this Agreement is invalid or unenforceable, the remaining portions of this Agreement will remain in full force and effect, and the parties will replace the invalid or unenforceable provision with a valid and enforceable provision that achieves the original intent of the parties and economic effect of the Agreement.
- D. Headings and Construction. Paragraph headings are for reference only and will not be considered as parts of this Agreement. Wherever the singular is used, it includes the plural, and, wherever the plural is used, it includes the singular.
- E. Walvers. A party's walver of any breach by the other party or failure to enforce a remedy will not be considered a walver of subsequent breaches of the same or a different kind.
- F. Assignments. Purchaser may not assign, in whole or in part, this Agreement without Apple's prior written approval.
- G. Entire Agreement. This Agreement supersedes all previous agreements and representations of, between or on behalf of the parties. This Agreement contains all of Apple's and Purchaser's agreements, warranties, understandings, conditions, covenants, and representations. Neither Apple nor Purchaser will be liable for any agreements, warranties, understandings, conditions, covenants, or representations not expressly set forth or referenced in this Agreement. Apple may refuse any different or additional provisions in purchase orders, invoices or similar documents and such refused provisions will be unenforceable.
- H. Modifications. Except as otherwise provided in this Agreement, no modification to this Agreement will be binding unless in writing and signed by an authorized representative of each party.

I. Counterparts

This Agreement may be executed in one or more counterparts (including by facsimile), each of which when so executed shall be deemed to be an original and shall have the same force and effect as an original but such counterparts together shall constitute one and the same instrument.

The duly authorized representatives of the parties execute this Agreement as of the dates set forth below.

| Purchaser | Apple Computer, Inc. |
|-------------|----------------------------------|
| SIGNATURE: | SIGNATURE: |
| PRINT NAME: | PRINT NAME: |
| TITLE: | TITLE: |
| DATE: | DEPT: Sales Contracts Management |
| | EFFECTIVE DATE: |

Apple Computer. Inc.

Amendment to the Education/State & Local Government Purchase Agreement

This Amendment to the Education/State & Local Government Purchase Agreement ("Amendment") amends the Education/State & Local Government Purchase Agreement ("Agreement") between Apple Computer, Inc. ("Apple") and the Tennessee Board of Regents ("Institution") effective December , 20____.

This Amendment entered into by the above-named parties, amends the Agreement as follows:

- 1. <u>Page 1 Recitals Purchase Authorizations:</u> This sentence will now read as follows: "Purchaser represents the following:"
- 2. <u>Section 3C Purchases from Apple/Price</u>: This section will now read as follows: "Prices shall be as set forth on the applicable Authorized Apple Price List in effect on the date Purchaser's order is accepted by Apple. Apple reserves the right to accept or decline any order, in whole or in part. Apple may cancel any accepted order prior to shipment. Unless Purchaser notifies Apple otherwise, Apple may make partial shipments of Purchaser's orders. It shall not be a breach of contract and no cause of action shall arise from any failure by Apple to ship complete orders. Purchaser will be invoiced separately for each partial shipment and will pay each invoice when due, without regard to subsequent deliveries. Apple will allocate its available inventory and make deliveries (including partial shipments) in its sole discretion. Prices include standard freight and insurance using an Apple-selected carrier. All applicable local sales or use taxes, duties and other imposts, if any, due on account of purchases hereunder shall be paid by Purchaser. Proof of tax exempt status must be on file at Apple's Support Center for any order to be treated as a tax-exempt transaction."
- 3. Section 3D Purchases from Apple/Delivery: This section shall now read as follows: "Title and risk of loss, as described in this Section, to all Products will pass to Purchaser upon shipment from Apple's location. For Products shipped pursuant to Apple's standard practices in all but the last week of every Apple fiscal quarter during the term of this Agreement, Apple will issue credits or replace Products returned due to damage in transit. For Products shipped pursuant to Apple's standard practices in the last week of every Apple fiscal quarter during the term of the Agreement, Apple will not issue credits or replace Products returned due to damage in transit or that are lost in transit. Instead, Apple will provide third-party insurance for damaged or lost Products with Purchaser named as the loss payee. When not shipping Products pursuant to Apple's standard practices but instead shipping via a carrier selected by Purchaser, Apple will not issue credits or replace Products returned due to damage in transit or that are lost in transit. Shipping charges for orders that are shipped under Purchaser's instructions will be added to Apple's invoice, or shipped freight collect, at Apple's option.
- 4. Section 3E Purchases from Apple/Additional Locations: This section shall now read as follows: "Purchaser acknowledges that whenever it directs Apple to ship to a location other than its main location, the following additional terms and conditions apply: (i) Apple Product warranty becomes effective upon shipment of the Apple Product from Apple's shipping location; (ii) Apple will invoice Purchaser for the Products when the Products ship from Apple's location and Purchaser shall pay for the Products within thirty (30) days from the date of invoice, provided that Purchaser shall be required to notify Apple if any Product has not been received within thirty (30) days of placement of an order in accordance with Tennessee statute prohibiting payment for goods by state agencies before they are received; and (iii) Purchaser further warrants that when directing delivery to a location not at Purchaser's location, Purchaser has obtained the addressee's permission to have the Products delivered as directed.
- 5. <u>Section 5A Limited Warranty:</u> This section shall now read as follows: "The sole warranty for Apple Product, if any, purchased under this Agreement shall be Apple's standard Limited Warranty as set forth in the documentation that accompanies each Apple Product. The Terms of this Agreement shall supersede any conflicting terms of any documentation or license that accompanies and Apple Product. Purchaser agrees to comply with any? such documentation or license to the extent permitted by applicable law."
- 6. <u>Section 7B End User Indemnification/Notice-Defense:</u> This section shall now read as follows: "Purchaser shall promptly notify Apple of any claim, demand, proceeding or suit of which Purchaser becomes aware

which may give rise to a right of defense or indemnification pursuant to this section ("Claim"). Notice of any Claim that is a legal proceeding, by suit or otherwise, must be provided to Apple within thirty (30) days of Purchaser's first learning of such proceeding. Notice must include an offer to tender the defense of the Claim to Apple. Apple, if it accepts such tender, may take over sole control of the defense of the Claim. That control includes the right to take any and all actions necessary to completely and finally resolve the Claim by settlement or compromise provided that no settlement or compromise shall be binding against the state without the consent of the Tennessee Attorney General, which shall not be unreasonably withheld. Upon acceptance of tender, Purchaser will cooperate with Apple with respect to such defense and settlement. If a Claim is settled and to the extent permitted by law, both parties will not publicize the settlement and will make every effort to ensure the settlement agreement contains a non-disclosure provision."

- 7. Section 8 Limitation of Liabilities and Remedies: This section shall now read as follows: "With regard to this paragraph 8 and to the extent permitted by applicable law, the total liability of Apple, whether in contract, warranty, tort, strict liability, statute or otherwise, shall be limited to an amount not to exceed three hundred thousand dollars (\$300,000) for all claims arising out of this Agreement, except for indemnity claims under Section 7 with respect to defective Products that directly cause death, personal injury or tangible property damage. IN NO EVENT, WHETHER AS A RESULT OR BREACH OF CONTRACT, WARRANTY, TORT, STRICT LIABILITY, STATUTE OR OTHERWISE, SHALL APPLE BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, CLAIMS FOR LOST BUSINESS PROFITS OR REVENUE, LOSS OF DATA, INTERRUPTION IN USE, UNAVAILABILITY OF DATA, OR THE COST OF THE PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES) OR FOR PUNITIVE OR EXEMPLARY DAMAGES. This Limitation is a critical element of the parties' bargained-for consideration and will be effective even in the event Apple is informed in advance of the possibility of such damages. The remedies set forth in this Agreement shall be Institution's sole and exclusive remedies for any claims against Apple under or related to this Agreement."
- 8. Section 9A Term and Termination/Term: This section shall now read as follows: "Unless terminated earlier as provided in this Agreement, the initial term of this Agreement shall be from the date Apple signs it until March 31, 2006; and unless either party provides written notice to the contrary to the other party not less than thirty (30) days before the expiration of any renewal term, this Agreement shall be renewed for additional one (1) year periods not to exceed a total term of sixty (60) months. Purchase3r may terminate this Agreement at the end of its fiscal year if there is insufficient legislative appropriation to support its continuance, with such termination to be effective upon not less than thirty (30) days notice to Apple and any financial obligations to Apple incurred prior to the effective date of such termination shall remain in full force and effect."
- 9. <u>Section 10A General/Governing Law:</u> This section shall now read as follows: "If Purchaser is a public institution, this Agreement will be governed and interpreted under the laws of the state in which Purchaser is located. Both parties agree to comply with applicable federal law, including any applicable non-discrimination and/or affirmative action requirements."
- 10. <u>Section 101 General/Counterparts:</u> This section shall now read as follows: "This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original and shall have the same force and effect as an original but such counterparts together shall constitute one and the same instrument."
- 11. Additional Section 10J General: This section shall now read as follows: "Apple Warrants that no part of the total contract amount provided herein shall be paid directly or indirectly to any officer or employee of the state of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent employee, sub-contractor, or consultant to Apple in connection with any work contemplated or performed relative to this Agreement."
- 12. Additional Section 10K General: This section shall now read as follows: "Apple shall maintain documentation for all charges against the Purchaser under this Agreement. The books, records, and documents of Apple, only insofar as they specifically relate to work performed or money received under this Agreement, shall be maintained for a period of three full years from the date of the final payment, and shall be subject to audit, at any reasonable time and upon notice, by Purchaser or the Tennessee Comptroller of the Treasury or their duly appointed representatives."
- 13. Unless specifically changed by this Amendment, the terms and conditions of the Agreement remain in full force and effect and apply to all transactions contemplated by this Amendment. In the event of a conflict between the provisions of the Agreement and provisions of this Amendment, the provisions of this Amendment will prevail.

The duly authorized representatives of the parties execute this Amendment to be effective as of the dates set forth below.

| Institution | | Apple Computer, Inc. |
|--|-------------------------|--|
| SIGNATURE: | SIGNATURE: | |
| PRINT NAME: | PRINT NAME | 3: |
| TITLE: | TITLE: | |
| DATE: | DEPT: | Sales Contract Management |
| | EFFECTIVE I | DATE: |
| 2 2004 Apple Computer, Inc. All rights resert computer, Inc. | ved. Apple and the Appl | e logo are registered trademarks of App 3/05, CPP 3/0 |
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Professional Services Addendum to the Education/State & Local Government Purchase Agreement

Apple offers a wide variety of professional services specifically for our education and state/local government customers.

Highly trained Apple Professional Services Technicians, Engineers, Consultants, Trainers, and Project Managers are available to help:

- Assess your institution's technology needs
- Provide system support
- Build custom solutions
- Maintain your technology investment
- Train your personnel

Apple Education Professional Services are composed of four core offerings: System Services, Professional Development and Training, Custom Service Solutions, and Project Management. To learn more about these services, please visit our website at: http://www.apple.com/education/services/.

As an Apple education or state/local government customer, who may either at this time or in the future be interested in engaging Apple for these types of services, we are providing you with a Professional Services Addendum to your Agreement. Once executed, this Addendum will expedite our delivery of services to you.

This Addendum does not automatically obligate you in any way, but rather updates the terms and conditions of your Agreement so that future service engagements with Apple require less paperwork, which might otherwise cause delays.



Professional Services Addendum to the Education/State & Local Government Purchase Agreement

This Professional Services Addendum to the Education/State & Location Government Purchase Agreement ("Addendum") is made between Apple Computer, Inc. ("Apple"), a California corporation located at 1 Infinite Loop, Cupertino, CA 95014, and:

| Customer Name ("P | Purchaser"): |
|-------------------|--------------|
| Address: | |
| City, ST, Zip: | |

1. Services

A. Statement of Work. This Addendum shall serve as an agreement for the acquisition of information technology consulting services ("Services") from Apple to Purchaser. It is agreed that when Services are to be performed, the parties shall prepare and execute a statement of work ("SOW"). All Services to be performed by Apple shall be documented in a SOW, which shall be uniquely numbered and signed by an authorized representative of both parties. Each SOW shall set forth, at a minimum, a description of the Services, the number of personnel assigned to the Services, the duration of the Services, and the fees for the Services. Each SOW shall be substantially in the format attached hereto as Exhibit A, and by referencing this Addendum, incorporate all terms contained herein. Apple shall have the right to accept or decline any proposed SOW.

B. Delivery and Acceptance. Apple shall make reasonable efforts to provide Services on a timely basis, subject to availability of qualified personnel and the difficulty and scope of the Services. However, Apple shall not be liable for its failure to do so nor will it be in breach of this Addendum solely by reason of such failure. Apple may reassign and substitute personnel at anytime and may provide the same or similar Services to other Purchasers. Services supplied by Apple under this Addendum are provided to assist Purchaser. Purchaser, not Apple, will be responsible for determining objectives. Purchaser may inspect the Services when received to determine if they substantially conform to the requirements of the SOW. Any Services not rejected within five (5) business days of receipt or such other period as may be agreed upon by the parties in the SOW ("Inspection Period") shall be deemed accepted. If any Services are rejected within the Inspection Period, Purchaser shall give Apple notice of the rejection and the reasons for the rejection. Apple may request that Purchaser confirm in writing acceptance of the Services within the Inspection Period.

2. Compensation.

A. Fees and Expenses. In consideration of Services performed, Purchaser agrees to pay Apple the fees and expenses specified in the applicable SOW. If no fee is specified, Purchaser agrees to pay Apple's then current fee rate for each hour of Service performed. Purchaser may specify in each SOW an authorized limit of fees and/or expenses for which it shall pay for Services performed, and Apple agrees not to incur additional fees and/or expenses beyond the limits specified without prior written approval from Purchaser.

B. Invoicing. Provided Purchaser is eligible for Apple's credit terms, fees and expenses shall be invoiced after Services are performed on a monthly basis unless otherwise specified in the SOW. Fees due for fraction of hours shall be rounded up to the nearest whole number. Any overdue amounts shall be subject to a finance charge at the rate of 1.5% per month commencing on the date such amount becomes overdue, or the highest rate permitted by applicable law, whichever is lower. Purchaser will pay any tax Apple becomes obligated to pay by virtue of this Addendum exclusive of taxes based on the net income of Apple. Payment for fees and expenses shall be due thirty (30) days from date of Apple's Invoice.

3. Confidentiality. Both parties agree to preserve the confidentiality of data and information relating to the other's business, including data and information belonging to third parties, that is either in writing marked as confidential or, if disclosed orally, communicated

as confidential at time of disclosure and confirmed as such in writing within thirty (30) days of disclosure ("Confidential Information"). Neither party will have any obligation to maintain the confidentiality of any data or information which (a) was in the receiving party's lawful possession prior to the submission thereof by the owning party (b) is lawfully obtained by the receiving party from a third party under no obligation of confidentiality, (c) is or becomes generally known or available other than by unauthorized disclosure, or (d) is independently developed by either party. Both parties will keep all Confidential Information in confidence and will not disclose any item of Confidential Information to any person other than employees, agents, or contractors who need to know the same in the performance of their duties to the parties, or as required by law. The receiving party will protect and maintain the confidentiality of all Confidential Information with the same degree of care as it employs to protect its own Confidential Information, but in no event less than a reasonable degree of care. The receiving party may disclose Confidential Information if required by any judicial or governmental request, requirement or order; provided that receiving party will take reasonable steps to give disclosing party sufficient prior notice in order to contest such request, requirement or order by notifying disclosing party of such request. Apple is not precluded from developing and marketing products, which provide the same or similar functionality as the Services, provided that such products do not use Purchaser's Confidential Information or incorporate work originally created by or owned by Purchaser. Neither party may export the other's Confidential Information without the other party's written consent. The obligations created under this Section shall survive termination of the Agreement associated with this Addendum for a period of five

- 4. Ownership. Any ideas, concepts, inventions, know-how, dataprocessing techniques, software or documentation developed by Apple personnel (alone or jointly with Purchaser) in connection with Services provided to Purchaser ("Apple Information") will be the exclusive property of Apple, except to the extent that such Items are a derivative of Purchaser's property. Apple grants Purchaser a nonexclusive, royalty-free, non-transferable (without right to sublicense) license to use the software or other proprietary rights in Services developed under this Addendum. Apple may provide Purchaser with specific, customized or unique suggestions or information as part of the Services developed by Apple, which suggestions or information do not have application to other Purchasers of Apple ("Purchaser-Owned Information"). Apple will identify all Purchaser-Owned Information and furnish that information to Purchaser subject to the qualifications set forth in this Addendum, and Purchaser will own all of Apple's right, title and interest in the Purchaser-Owned Information.
- 5. Warranty. Except as expressly represented otherwise in this Addendum, and to the extent not prohibited by law, all Services, including any documentation, publications, software programs or code, and other information provided by or on behalf of Apple to Purchaser under this Addendum are furnished on an "AS-IS" basis, without warranty of any kind, whether express, implied, statutory or otherwise especially as to quality, reliability, timeliness, usefulness, sufficiency and accuracy. ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ALL IMPLIED WARRANTIES OF CONDITION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE



DISCLAIMED BY APPLE. NO ORAL OR WRITTEN INFORMATION PROVIDED BY APPLE SHALL CREATE A WARRANTY UNLESS INCORPORATED INTO THIS ADDENDUM.

6. Term and Termination.

- A. Term and Termination of Amendment. Unless terminated sooner in accordance with these terms, this Addendum shall commence on the Effective Date and terminate upon the termination of the Agreement, or upon the completion of Services under an existing SOW, whichever is later.
- B. Termination for Convenience. Either party may terminate this Addendum without cause by giving thirty (30) days prior written notice to the other party of its intention to do so. As it pertains to Apple, such termination shall not occur until the successful completion of any outstanding SOW. The Purchaser may terminate a SOW in whole or in part by giving Apple thirty (30) days prior written notice of its intention to do so. In the event of such termination, Apple shall be entitled to recover for all Services performed prior to the effective date of termination, together with its reasonable extra costs incurred by reason of the termination.
- C. Termination for Cause. Either party may terminate this Addendum or a SOW immediately if the other party has (i) falled to cure any breach of this Addendum or the SOW within thirty (30) days of written notice from the non-breaching party, (ii) breached the terms of Section 3 "Confidentiality", or (ill) become insolvent, makes a general assignment for the benefit of creditors or becomes subject to any proceeding under any bankruptcy or insolvency law. Additionally, if Apple is not in default of any of its obligations under a SOW, and the performance of Services is stopped through any wrongful act or neglect of Purchaser, or Purchaser fails to make payment to Apple when due, Apple may give written notice to Purchaser of its intent to terminate performance, specifying the grounds thereof. If the Purchaser fails within thirty (30) days to cure the act or neglect specified or to make the payment identified therein as past due, Apple may then terminate performance of Services and recover payment from the Purchaser for all Services performed prior to the termination date.
- D. Survival. The terms and conditions contained in this Addendum that by their sense and context are intended to survive the performance by either party shall so survive termination or completion of performance of this Addendum.

7. General

- A. independent Contractor. During performance of the Addendum, Apple shall be an independent contractor and not an agent of the Purchaser. Apple shall supervise the performance of its own personnel and resources and shall have control of the manner and means by which the Services are performed, subject to compliance with this Addendum and any plans, specifications, schedules, or other items agreed to in a SOW.
- B. Non-Solicitation of Employees. During the term of this Addendum, and for one (1) year thereafter, the Purchaser shall not offer employment to, or employ, an employee or contractor of Apple directly involved in Services, or induce such employee or contractor of Apple to breach any employment agreement or services contract with Apple.
- C. Publicity. In connection with Apple's promotion of its professional services, including but not limited to, referential listings of Purchasers on its web site, Purchaser grants to Apple a worldwide non-exclusive royalty free license to publicly use Purchaser's name and trademark(s) in connection with informing others of Purchaser's utilization of such services. Apple agrees to make reasonable efforts to adhere to any trademark guidelines that Purchaser may wish Apple to adopt, as delivered in writing to Apple from time to time.
- D. Insurance. Apple shall maintain Commercial General Liability insurance coverage during the term of this Addendum. Evidence of insurance shall be provided upon request.
- E. Force Majeure. Neither party shall be liable for any delay or fallure to meet its obligations under this Addendum due to circumstances beyond its reasonable control, including but not limited to war, riot, insurrection, civil commotion, labor strikes or lockouts, shortages, factory or other labor conditions, fire, flood, earthquake or storm.
- F. Purchaser's Responsibilities and Representations. Purchaser shall provide Apple equipment, information, and facilities necessary to perform Services described in the SOW, unless agreed otherwise by the parties.

The duly authorized representatives of the parties execute this Addendum as of the dates set forth below.

| Purchaser | Apple Computer, Inc. |
|-------------|----------------------------------|
| SIGNATURE: | SIGNATURE: |
| PRINT NAME: | PRINT NAME: |
| TITLE: | _TITLE: |
| DATE: | DEPT: Sales Contracts Management |
| | EFFECTIVE DATE: |

Apple Computer. Inc.

Amendment to the Professional Services Addendum for the Education/State & Local Government Purchase Agreement

This Amendment to the Professional Services Addendum for Education/State & Local Government Purchase Agreement ("Amendment") amends the Professional Services Addendum ("Addendum") between Apple Computer, Inc. ("Apple") and the Tennessee Board of Regents ("Institution") effective December , 20____.

This Amendment entered into by the above-named parties, amends the Addendum as follows:

- 1. Section 1B Services/Delivery and Acceptance: This section will now read as follows: "Apple shall make reasonable efforts to provide Services on a timely basis, subject to availability of qualified personnel and the difficulty and scope of the Services. However, Apple shall not be in breach of this Addendum, nor shall any cause of action arise solely by reason of such failure. Apple may reassign and substitute personnel at anytime and may provide the same or similar Services to other Purchasers. Services supplied by Apple under this Addendum are provided to assist Purchaser. Purchaser, not Apple, will be responsible for determining objectives. Purchaser may inspect the Services when received to determine if they substantially conform to the requirements of the SOW. Any Services not rejected within five (5) business days of receipt or such other period as may be agreed upon by the parties in the SOW ("Inspection Period") shall be deemed accepted. If any Services are rejected within the Inspection Period, Purchaser shall give Apple notice of the rejection and the reasons for the rejection. Apple may request that Purchaser confirm in writing acceptance of the Services within the Inspection Period."
- 2. <u>Section 2B Compensation/Invoicing</u>: This section shall now read as follows: "Provided Purchaser is eligible for Apple's credit terms, fees and expenses shall be invoiced after Services are performed on a monthly basis unless otherwise specified in the SOW. Fees due for fraction of hours shall be rounded up to the nearest whole number. Any overdue amounts shall be subject to a finance charge at the rate of 1.5% per month commencing on the date such amount becomes overdue, or the highest rate permitted by applicable law, whichever is lower. If permitted by applicable law, Purchaser will pay any tax Apple becomes obligated to pay by virtue of this Addendum exclusive of taxes based on the net income of Apple. Payment for fees and expenses shall be due thirty (30) days from date of Apple's invoice."
- 3. <u>Section 4 Ownership:</u> This section shall now read as follows: "Any ideas, concepts, inventions, know-how, software or documentation developed by Apple personnel (alone or jointly with Purchaser) in connection with Services provided to Purchaser ("Apple Information") will be the exclusive property of Apple, except to the extent that such items are a derivative of Purchaser's property. Apple grants Purchaser a nonexclusive, royalty-free, non-transferable (without right to sublicense) license to use the software or other proprietary rights in Services developed under this Addendum. Apple may provide Purchaser with specific, customized or unique suggestions or information as part of the Services developed by Apple, which suggestions or information do not have application to other Purchasers of Apple ("Purchaser-Owned Information"). Apple will identify all Purchaser-Owned Information and furnish that information to Purchaser subject to the qualifications set forth in this Addendum, and Purchaser will own all of Apple's right, title and interest in the Purchaser-Owned Information."
- 4. <u>Section 5 Warranty:</u> This section shall now read as follows: "Except as expressly represented otherwise in this Addendum, with regard to this paragraph 5 and to the extent permitted by applicable law, all Services, including any documentation, publications, software programs or code, and other information provided by or on behalf of Apple to Purchaser under this Addendum are furnished on an "AS-IS" basis, without warranty of any kind, whether express, implied, statutory or otherwise especially as to quality, reliability, timeliness, usefulness, sufficiency and accuracy. ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ALL IMPLIED WARRANTIES OF CONDITION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE DISCLAIMED BY APPLE. NO ORAL OR WRITTEN INFORMATION PROVIDED BY APPLE SHALL CREATE A WARRANTY UNLESS INCORPORATED INTO THIS ADDENDUM."
- 5. <u>Section 6B Term and Termination/Termination for Convenience:</u> This section shall now read as follows: "Either party may terminate this Addendum without cause by giving thirty (30) days prior written notice to the other party of its intention to do so. As it pertains to Apple, such termination shall not occur until the successful

completion of any outstanding SOW. The Purchaser may terminate a SOW in whole or in part by giving Apple thirty (30) days prior written notice of its intention to do so. In the event of such termination, Apple shall be entitled to recover for all Services performed prior to the effective date of termination, together with its reasonable, actual, documented extra costs incurred by reason of the termination."

- 6. <u>Section 7C General/Publicity:</u> This section shall now read as follows: "In connection with Apple's promotion of its professional services, including but not limited to, referential listings of Purchasers on its web site, Purchaser grants to Apple a worldwide non-exclusive royalty free license to publicly use Purchaser's name in connection with informing others of Purchaser's utilization of such services. If Purchaser agrees to the use of its trademark(s), Apple agrees to make reasonable efforts to adhere to any trademark guidelines that Purchaser may wish Apple to adopt, as delivered in writing to Apple from time to time."
- 7. Unless specifically changed by this Amendment, the terms and conditions of the Professional Services Addendum remain in full force and effect and apply to all transactions contemplated by this Amendment. In the event of a conflict between the provisions of the Agreement and provisions of this Amendment, the provisions of this Amendment will prevail.

The duly authorized representatives of the parties execute this Amendment to be effective as of the dates set forth below.

| Institution | Apple Computer, Inc. |
|-------------|---------------------------------|
| SIGNATURE: | SIGNATURE: |
| PRINT NAME: | PRINT NAME: |
| TITLE: | TITLE: |
| DATE: | DEPT: Sales Contract Management |
| | EFFECTIVE DATE: |

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